

OFFICE OF THRIFT SUPERVISION

Approval of Organization of a Federal  
De Novo Stock Savings Bank

Order No.: 96-110

Date: November 12, 1996

First Citizens Bancshares, Inc., Raleigh, North Carolina (the "Holding Company"), has applied to the Office of Thrift Supervision ("OTS") to organize a Federal de novo stock savings bank to be known as Atlantic States Bank, Raleigh, North Carolina ("Institution"), pursuant to Section 5(e) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. Sc 1464(e), and 12 C.F.R. Sc 552.2-1 thereunder. The Institution's home office would be located in Raleigh, North Carolina, and the Institution would operate one branch office, at 1725 Indian Trail Road, Norcross, Georgia.

The OTS has considered the Application under the standards set forth at 12 U.S.C. ScSc 1464(e) and 1464(r), and at 12 C.F.R. ScSc 552.2-1, 556.5, and 571.6. In addition, the OTS has considered a protest (the "Protest") to the application submitted by the Community Reinvestment Association of North Carolina, as well as digests prepared by the Southeast Regional Office, Compliance Policy, and Corporate Activities, and a legal opinion from the Business Transactions Division, and other materials, including the Federal Deposit Insurance Corporation's April 11, 1994 Compliance and Community Reinvestment Act examination of the Holding Company's bank subsidiary, First Citizens Bank and Trust Company, Raleigh, North Carolina, the Holding Company's response to the Protest, and the Institution's proposed Community Reinvestment Act statement. In addition, the OTS has considered the proposed transaction under the Community Reinvestment Act, 12 U.S.C. ScSc 2901 et seq., and OTS regulations thereunder 12 C.F.R. Part 563e, to the extent applicable.

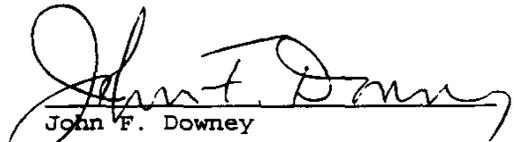
Based on the foregoing statutes, regulations, policy statement and other materials, the OTS has concluded that the organization of the Institution, including the establishment of the proposed branch office, would be in compliance with all applicable statutes and regulations. Accordingly, the application is hereby approved, provided that the following conditions are complied with in a manner satisfactory to the Southeast Regional Director, or his designee:

1. The Holding Company and the Institution must receive all required regulatory approvals prior to establishment of the Institution with copies of all such approvals supplied to the Southeast Regional Office;

2. One day prior to opening for business, the Institution must specify that there have been no substantial changes with respect to the information currently before the OTS, including but not limited to directors, proposed shareholders or the business plan; and provided further, that no additional information, having an adverse bearing on any feature of the application, exists;
3. Prior to opening for business, the officers, organizers and directors must: (1) meet with the Southeast Regional Director; and (2) file with the Southeast Regional Director a certification by legal counsel stating the effective date of the completion of the organization of the Institution, and that the completion of the organization of the Institution has been consummated in accordance with the provisions of all applicable laws and regulations (including state and federal securities law requirements), the Applications, and this Order;
4. The Institution shall submit independent audit reports to the Southeast Regional Office for its first three fiscal years. These reports shall be in compliance with the audit rules set forth in 12 C.F.R. Section 562.4; and
5. Prior to opening for business, the Institution must receive approval from the Southeast Regional Office for all unidentified members of the de novo's senior management team. In addition, the Institution must receive approval from the Southeast Regional Office for any residents of the state of Georgia that are added to board of directors during the Institution's first year of operation.

Any time period specified herein may be extended by the Southeast Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision,  
or his designee, effective ~~November~~ 12, 1996 .

  
John F. Downey  
Executive Director, Supervision